Provincial Judges and Masters in Chambers Pension Plan

ANNUAL REPORT

FOR THE FISCAL YEAR ENDED MARCH 31, 1990

Alberta
TREASURY

91-05812/

PROVINCIAL JUDGES AND MASTERS IN CHAMBERS PENSION PLAN

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Alberta

PROVINCIAL TREASURER
224 Legislature Building, Edmonton, Alberta, Canada T5K 2B6

The Speaker of the Assembly

Sir:

Pursuant to section 5 of the Provincial Judges and Masters in Chambers Pension Plan Regulation, Appendix of Order in Council 526/88, I have the honour to lay before the Assembly the annual report on the operation of the Provincial Judges and Masters in Chambers Pension Plan for the fiscal year ended March 31, 1990.

Respectfully submitted,

Dick Johnston
Provincial Treasurer

Table of Contents

	Page
Introduction	2
Plan Overview	2
Review of Operations	3
Actuarial Liabilities	3
Participation	3
Contributions	4
Refunds	4
Information and Counselling Services	5
Pension Benefits	5
Statement of Receipts and Payments	6

Introduction

The Provincial Judges and Masters in Chambers Pension Plan was established effective September 1, 1988, by an Order in Council under the Provincial Court Judges Act and other empowering legislation. The Plan was established to provide a fully funded non-contributory pension program for those individuals who hold office as Provincial Judges or Masters in Chambers. Formerly, such individuals were participants in the Public Service Management Pension Plan.

Plan Overview

The Provincial Judges and Masters in Chambers Pension Plan is a non-contributory pension plan for which contributions are remitted by the employer at a rate determined by an actuarial valuation of the plan. For the period September 1, 1988, to March 31, 1992, the contribution rate was assessed at 23.67 percent of pensionable earnings. Contributions are deposited to and benefits are paid from the Provincial Judges and Masters in Chambers Pension Fund. The income of the Provincial Judges and Masters in Chambers Pension Fund accrues to and forms part of the Fund.

Members may retire at any time after age 55 without reduction in the amount of pension if they have accumulated five years of pensionable service. For the purposes of this Plan, the normal pensionable age is 70 years. However, there is no mandatory retirement age. Pension benefits are based on two percent of the highest average pensionable earnings for five consecutive years times the number of years of pensionable service. Pensionable service is comprised of the following types of service: any period for which the Government was liable to make contributions under this plan; any pensionable service under the Public Service Management Pension Plan; and any period of leave without pay that was under 23 days or that was longer but for which contributions have been made. The normal form of pension benefit under the Plan is a pension payable for the life of the member with a 75 percent survivor benefit. The survivor benefit applies only to a person who was the spouse at the time when a pension choice was made. If the member has a spouse and has been married to, or lived with that spouse for at least five years, the member must choose a normal pension unless a waiver is signed by the spouse. Single members or those with spousal waivers may elect a life pension, choosing a 5, 10 or 15 year guarantee period. They may also elect a joint pension based on their life and that of a nominee.

The Plan also makes provision for those members who die prior to retirement and have accumulated at least five years pensionable service. In such cases, the surviving spouse is entitled to receive a pension for life in an amount equal to 75 percent of the normal pension. For those who have not accumulated five years of pensionable service the surviving spouse or beneficiary is entitled to a refund of the employee contributions, if any, credited to the plan.

Review of Operations

The Provincial Judges and Masters in Chambers Pension Plan is administered by the Payroll and Pensions Division of Alberta Treasury.

In order to increase efficiency and improve service, Payroll and Pensions continues to upgrade its automated systems.

Pension forms were completely redesigned and master copies of each form have been provided to the Attorney General's Department. By allowing the production of forms as required, stockpiling and wastage occasioned by form changes are eliminated.

Actuarial Liabilities

An actuarial valuation of the Plan was completed at September 1, 1988, and is required every three years thereafter. In accordance with clause 9(2) of the Pension Plan Regulation, the unfunded liability, as of any particular valuation date, shall be financed on the basis that it is to be liquidated by 20 equal annual contribution payments.

An independent actuarial valuation carried out at September 1, 1988, estimated the accrued liability of the Provincial Judges and Masters in Chambers Pension Plan to be $35,285,000. The Plan's unfunded liability was estimated at $22,701,000. The amount estimated by the valuation to be required to liquidate the unfunded liability by 20 equal annual instalments was $2,399,000. This amount was later adjusted to $2,332,000 to reflect actual circumstances. Accordingly, the instalment for the year of this report is $2,332,000. The normal actuarial cost of the Plan as a percentage of payroll was estimated at 23.67 percent.

Participation

At March 31, 1990, there were a total of 115 active contributors in the Provincial Judges and Masters in Chambers Pension Plan. In addition, four members were retired and in the process of finalizing their pension choices.

Contributions

The schedule below summarizes contributions for the year ended March 31, 1990:

	Participants At March 31, 1990	Contributions Received		
		Participants $	Government $	Total $
Government of Alberta	115	56,882	2,825,562	2,882,444
	115	56,882	2,825,562	2,882,444

Note: The participant amounts are prior service contributions.

Refunds

No refunds were issued during the year to participants upon termination. Refunds of excess contributions totalling $724 were made to participants.

Information and Counselling Services

Payroll and Pensions Division assisted the Alberta Retired Public Employees Society with the publication of Postscript. Postscript is a quarterly newspaper provided free of charge to pensioners. A regular information bulletin called Pension News was forwarded to the Attorney General's Department to assist staff in carrying out their administrative responsibilities under the Plan.

Annual statements containing information on pensionable service, contributions and prior service, were produced for distribution to all active participants.

Pension Benefits

During the year ended March 31, 1990, pension benefits paid totalled $49,381 in respect of four retirees.

Effective January 1, 1990, a cost of living adjustment of 3.25 percent was granted to those pensioners in receipt of a pension for one year or more, with a proportionately smaller increase granted to those retiring during the calendar year 1989.

Statement of Receipts and Payments
Year Ended March 31, 1990

	1990 $	1989 $
RECEIPTS		
Contributions		
Government	2,825,562	1,627,035
Participants	56,882	46,191
	2,882,444	1,673,226
Funds Transferred on Inception of Plan		
Contributions	–	13,056,408
Interest	64,818	575,000
	64,818	13,631,408
Amortization of unfunded liability	2,332,000	1,360,000
Total Receipts	5,279,262	16,664,634
PAYMENTS		
Benefits		
Pensions to retired participants	49,381	4,906
Withdrawals		
Refunds of excess contributions	724	1,384
Total Payments	50,105	6,290
Excess of Receipts over Payments	5,229,157	16,658,344